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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of San Diego Gas and Electric Company's Application for Authorization to (1) to Participate in the Steam Generator Replacement Project as a Co-Owner of San Onofre Nuclear Generating Station Unit Nos. 2 & 3 (SONGS 2& 3); (2) Establish Ratemaking for Cost recovery; and (3) Address Other Related Steam Generator Replacement Issues.

(U 902-E)

Application 06-04-018
(Filed April 14, 2006)

ASSIGNED COMMISSIONER'S RULING AND SCOPING MEMO

This ruling, prepared pursuant to Rules 6(a)(3) and 6.3 of the Commission's Rules of Practice and Procedure, and following prehearing conference held on June 8, 2006, addresses the scope, schedule, and other procedural matters related to the captioned application.

1. Scope

The issues to be addressed in this proceeding, as discussed at the prehearing conference, shall be as follows:

- Cost-effectiveness of San Diego Gas & Electric Company's (SDG&E) participation in the San Onofre Nuclear Generating Station (SONGS) steam generator replacement program.
- SDG&E's proposed two-way SONGS operation and maintenance expense balancing account.
- SDG&E's proposed SONGS-specific rate of return on equity of 11.6%.

2. Schedule

The schedule shall be as follows:

- | | |
|---|--------------------|
| • Parties' opening testimony served | July 25, 2006 |
| • Applicant's rebuttal testimony served | August 10, 2006 |
| • Evidentiary hearings | August 21-23, 2006 |
| • Opening briefs filed | September 27, 2006 |
| • Requests for final oral argument | September 27, 2006 |
| • Reply briefs filed | October 11, 2006 |
| • Submission date | October 11, 2006 |
| • Proposed Decision filed ¹ | January 9, 2007 |
| • Final Commission Decision issued ² | by March 2007 |

The schedule is subject to change. This matter is expected to conclude in the first quarter of March 2007, but in no event later than 18 months from the date of this scoping ruling.

Evidentiary hearings will be held, beginning at 10:00 a.m. on August 21, 2006, and at 9:30 a.m. thereafter, at the Commission's Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California.

3. Proceeding Category and Need for Hearings

In Resolution ALJ-176-3171, dated April 17, 2006, the Commission preliminarily determined that the category of this proceeding is ratesetting and

¹ Pursuant to Rule 8.1(b), the proposed decision shall be filed no later than 90 days after submission.

² Pursuant to Rule 8.1(c), the Commission's decision shall be issued no later than 60 days after the proposed decision is issued. However, the Commission may vote on the proposed decision no earlier than 30 days after it is released.

that hearings are necessary. I confirm these determinations. Pursuant to Rule 6.4, this ruling may be appealed only as to category.

4. Principal Hearing Officer

The assigned Administrative Law Judge (ALJ), Jeffrey P. O'Donnell, is the principal hearing officer.

5. Ex Parte Communications

Parties shall comply with the rules concerning ex parte communications set forth in Rules 7(c) and 7.1.

6. Requests for Final Oral Argument

As shown in Section 2, and pursuant to Rule 8(d), any requests for a final oral argument shall be filed and served concurrently with the opening briefs.

7. Discovery

Parties shall follow the procedures set forth in Resolution ALJ-164 to resolve discovery disputes.

8. Service of Documents to the Assigned ALJ

Parties shall provide the assigned ALJ with a hard copy, and an electronic copy in Microsoft Word and/or Excel format, of all documents filed and/or served to the extent practicable.

Therefore, **IT IS RULED** that:

1. The Assigned Commissioner is Geoffrey F. Brown.
2. The assigned ALJ, Jeffrey P. O'Donnell, is the principal hearing officer.
3. The scope of these proceedings is as set forth in Section 1.
4. The schedule is as set forth in Section 2.
5. The category is ratesetting. Pursuant to Rule 6.4(a), this ruling as to category may be appealed.

6. Hearings are needed.
7. Parties shall comply with the ex parte rules set forth in Rules 7(c) and 7.1
8. Requests for a final oral argument shall be filed and served concurrently with the opening briefs.
9. Parties shall provide the ALJ with a hard copy, and an electronic copy in Microsoft Word and/or Excel format, of all documents filed and/or served to the extent practicable.

Dated June 13, 2006, at San Francisco, California.

/s/ GEOFFREY F. BROWN

Geoffrey F. Brown
Assigned Commissioner

INFORMATION REGARDING SERVICE

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Dated June 13, 2006, at San Francisco, California.

/s/ ELVIRA NIZ

Elvira Niz

***** SERVICE LIST *****

Last Update on 08-JUN-2006 by: LIL
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